Financial Restructuring Authority for Weak Banks

5387. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FIN be pleased to state:

(a) whether Government propose to amend laws governing ban create a Financial Restructuring Authority that would have the po supercede the boards of weak banks and facilitate their effective restruc

(b) if so, the details thereof;

(c) whether the rehabilitation of weak banks have been examined Verma panel; and

(d) if so, to what extent the efforts of Government are going to s weak banks in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FIN (SHRI BALASAHEB VIKHE PATIL): (a) and (b) In respect of any ban is considered to be weak or potentially weak, the statutes governing sector banks would be amended to provide for supersession of the B Directors on the basis of recommendation of the RBI and constituti Financial Restructuring Authority (FRA) for such a bank, comprising and professionals. The amendment would also enable FRA to exercise powers including all the powers of the Board of the bank.

(c) Yes, Sir.

(d) comprehensive restructuring is expected to help the weak b become viable and financially strong.

CVC clearance to high level appointments in Public Sector Ba

5388. SHRI BHAGATRAM MANHAR: Will the Minister of FT be pleased to state:

(a) whether it is a fact that the high level appointments in th Sector Banks are cleared by the Central Vigilance Commission be appointments are made by the Cabinet Committee on Appointments;

(b) if so, the number of cases pending with the CVC in whic Executives of the public sector banks are involved and against whom charges of financial and administrative bungling and sexual abuse ha levelled; and

(c) the details in this regard and by when the findings of the likely to be made known to Government and put on the CVC Websit

THE MINISTER OF STAlE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Vigilance clearance from Central Vigilance Commission (CVC) is «ft)tained before seeking approval of thfe Appointments Committee of tiie Cff^inet (ACC) for appointments of whole time directors in public sector banSs.

(b) and (c) The CVC has reported that against one Executive of a public sector bank in respect of whom advice relating to vigilance status has been sought, some vigilance cases are pending consideration of the Commission. The Commission has put on the Commission's Website the names of such officers against whom it has either advised criminal proceedings after receipt of investigation reports or advised imposition of major penalty on receipt of final enquiry reports.

CBI raid in Central Excise Deptt. at Ahmedabad and Rajkot

†5389. SHRI ANANTRAY DEVSHANKER DAVE: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Bureau of Investigation has conducted any raid in the Central Excise Deptt. in Ahmedabad and Rajkot during the last three years;

(b) if so, the number of officers and employees who were found involved in corruption and were arrested, togetherwith the total amount of money recovered from them;

(c) whether a large number of cases regarding irregularities and financial embezzlement have been unearthed in those offices; and

(d) the number of officers and employees, in respect of whom orders for termination of their services have been or are proposed to be issued?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) and (b) During 1998, CBI registered a case against 2 Inspectors of Central Excise posted at Ahmedabad on allegation of demanding and accepting a bribe. During the searches of their office and residence, a bribe amount of Rs. 2000/- was recovered from one of the Inspectors.

(c) No.

(d) There is no such proposal.

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†Original notice of the question was received in Hindi.